HUD newsletter
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280

April 21, 1975 Vol. 6 No. 16

Current Trends

Short-term interest rates continued a slight decline between late February and late March... but the yield on intermediate- and long-term bonds rose 10-25 basis points as a result of heavy demands for such funds by both corporations and the Federal Government. In late March... short-term interest rates were 4-6 percentage points below the peaks reached late last year... yields on intermediate-term debt instruments were 1½ to 2 percentage points below their 1974 highs... and long-term bonds yields were ½ to 1½ percentage points below their peak.

Interest rates on conventional mortgage loans declined in February for the second month in a row... following nearly 2 years of almost continuous increase. The drop was the sharpest since early 1971... 22 basis points in the average effective interest rate on loans for purchasing newly built, single-family homes... and 13 basis points in rates on loans for purchasing previously occupied homes. These conditions reflected the earlier easing in general financial market conditions and declines in rates at which lenders were making forward mortgage lending commitments.

The *FHLBB* reported mortgage activity of S&Ls in February continued the slow recovery from the low volume reached late last year. Mortgage loans closed last month totaled $2.2 billion... this was 13 percent more than in January and the third modest monthly rise in a row on a seasonally-adjusted basis. Lending volume for the month was 16 percent less than a year earlier and 39 percent less than 2 years earlier.

John M. Wetmore, Director of Economics and Research for the ***Mortgage Bankers Association of America,*** feels that housing activity should increase throughout 1975 after reaching the lowest levels in 8 years during December. The rate of increase, however, will be slow. According to Mr. Wetmore... new home sales should rise from their low point during coming months as mortgage funds become abundant, as lower mortgage interest rates dispel the inhibitions of unrealistic state usury ceilings, as cheaper money reduces monthly payments, and as consumer confidence begins to revive from the extremely depressed levels of recent months; in turn... as new home sales rebound... single-family housing starts will show modest but significant increases; new homes sales will be further stimulated once consumer confidence revives and is reinforced by the turnaround in economy activity expected about mid-year; and... as the number of unsold new homes is trimmed... housing starts will begin to show significant gains.

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Increase in Coop Housing Mortgages Proposed

The *FHLBB* has proposed regulations to increase the loan-to-value ratio from 80 to 95 percent on cooperative housing projects financed by Federal savings and loan associations. These amendments would make cooperative housing financing by Federal associations comparable to condominium and other single-family dwelling financing.

As with single-family dwelling loans, the maximum loan amount for a 95-percent loan would be $42,000 per dwelling unit in the cooperative. In addition... the cooperative would have to conform to ***HUD/FHA*** standards for insured cooperative housing loans.

The proposal was published in the *Federal Register* on April 3, 1975, and public comments will be accepted until May 5, 1975.

HUD Participates in Job Program

***HUD*... four other Federal Agencies... and the *Ford Foundation*... are sharing the cost of an experiment designed to show that former drug addicts can be prepared for regular jobs.**

A total of $10 million has been committed by the ***Foundation*** and the Federal Agencies for the program's first year. The ***Foundation's*** share includes $1.6 to the ***Manpower Demonstration Research Corporation***, which will supervise the program. The other Federal Agencies are the ***Departments of Labor and Health, Education and Welfare;*** the ***Law Enforcement Assistance Administration;*** and the ***Special Action Office for Drug Abuse Prevention*** (now the ***National Institute on Drug Abuse).*** Grants totalling $5.95 million have been made to organizations in 13 communities to run the program. Each community will receive additional operating funds from local and State sources.

The communities involved are: **Atlanta, Chicago, Hartford, Jersey City, Massachusetts (Boston and Springfield), Newark, Oakland, Philadelphia, St. Louis, San Francisco, Washington (Puget Sound area), West Virginia (five northwest counties),** and **Wisconsin (Fond du Lac and Winnebago counties).**

The program came into being as a result of the experience in New York City ... where for the last 3 years some 1,500 former drug addicts and offenders who normally would have had difficulty getting jobs have found steady work painting fire hydrants, repairing buildings, and doing research and clerical work. Their program, called "supported work," now is being expanded nationwide.

Forty communities submitted proposals to run projects in the experiment. Those receiving grants were chosen on such factors as managerial capability, local support, and adequate identification and recruitment of target groups. Jobs will be performed under contract to both public and private employers and will include housing maintenance and rehabilitation, neighborhood beautification, security services, assistance to the elderly, and para-professional work in health and day-care agencies.

Participants in the program will be expected to develop good working habits. Habitual tardiness, absenteeism, and poor performance will lead to dismissal. Each worker will receive a paycheck drawn from three sources: payment for the work itself, government training and demonstration grants, and welfare entitlements. For many, this will be their first paycheck in years; for some, it will be their first regular job.

In the original New York project... 69 percent of the project's employees still work there or have gone on to other jobs, often at higher pay. Only 27 percent have reverted to past habits... which is less than half the national average for addicts and offenders.

Details: William Grinker, *Manpower Demonstration Research Corporation*, 200 E. 42nd St., New York, New York 10017.

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California S&L Plans Supermarket Link

An electronic funds transfer system is planned by the $1.5 billion-deposit *Glendale Federal Savings & Loan Association* in 19 supermarkets in the Los Angeles area.

Long-range plans call for expansion to 70 locations of the supermarket chain ... which would make this the most extensive retail point-of-sale network proposed to date.

The system may be unique in having terminal installations at each checkout stand. (Other systems allow customer transactions only at convenience counters.)

The terminals will have check verification capability, even for customers without ***Glendale*** accounts, and bad check information from one store will be available at all outlets.

HUD Training Grants Announced

Grants totaling $660,000 to five universities to develop academic training programs and complementing internships for housing managers have been announced. They are: ***Howard University***, Washington, D.C., $150,000; ***Southern University***, Baton Rouge, La., $135,000; ***Winston-Salem State University***, Winston-Salem, N.C., $135,000; ***Texas Southern University***, Houston, $135,000; and ***Temple University***, Philadelphia, $105,000.

The universities will develop training programs designed to upgrade and professionalize the housing management field. These programs will incorporate basic management performance standards developed by ***HUD*** for housing managers, and the training will be an ingredient leading to the certification of managers for ***HUD***-insured and ***HUD***-subsidized housing.

The training programs will be incorporated into the regular curricula of the universities. They are intended to lead to the eventual development of university-sponsored majors in housing management, or to minors which support majors in such fields as urban planning, business administration, and social work. These major/minor combinations will be applicable to the Baccalaureate, Masters, and Doctoral levels.

In addition to standard management courses, each university will focus on a specialized aspect of the Federal public housing program. . . urban or rural, large medium or small. . . and will adapt existing curricula or develop new ones to fit the unique characteristics of its area.

For further information: Dr. Earl W. Linveit, ***HUD Office of Policy Development and Research***, Room 8150, Washington, D.C. 20410 (202/755-6230).

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Publications Available

The March issue of *Urban Land*. . . carries a story reporting on the success of the ***Massachusetts Housing Finance Agency*** in establishing mixed-income developments. *Mixed-Income Housing in Massachusetts* reports a stunning contrast to "the (general assumption) in this country that residential integration of different economic and social groups is not possible." **Copies of** *Urban Land* **are available at $2 prepaid from *Urban Land Institute*, 1200 18th St., N.W., Washington, D.C. 20036.**

Capsule of A Region. . . A comprehensive summary of the ***Denver Regional Council of Governments***. . . funded in part with a ***HUD*** *Section 701 Urban Planning Grant*. **Available from *DCOG*, 1776 South Jackson Street, Denver, Colorado 80210.**

The ***Hawaii State Department of Planning and Economic Development*** has published *Land Inventory Reports for the Counties of Hawaii, Kauai, and Maui*, which were prepared as part of a ***Hawaii Urban Planning Information Center*** project financed in part with a ***HUD*** *701 Urban Planning Grant*. The reports cover a multi-use inventory of all public and private lands on the Neighbor Islands, showing tax map key, census areas, State Land Use, County General Plan Use, County Zoning, Existing Land Use, Ownership, Tenure and other information for each land parcel. Inventories were prepared jointly by the ***DPED*** and the ***County Planning Departments***. They were developed to form the basis for a statewide inventory of all lands. **Copies are available from the *Department*, P.O. Box 2359, Honolulu, Hawaii 96804.**

City in Print, compiled by R. Charles Bryfogle. . . a comprehensive bibliography of materials relating to urban studies. . . contains approximately 1500 entries, most of which are annotated describing books nearly all of which were in print as of January 1, 1974. Also listed with annotations are approximately 900 urban studies audio-visual materials. A unique source guide identifies the American, Canadian, and British publishers and distributors of these materials for readers wishing to purchase copies. **324 pages. . . $25.00. . . from *GLC Publishers Limited*, 115 Nugget Avenue, Agincourt, Ontario, MIS 3BI, Canada.**

Film Available

Design for People—Or Maybe Not. . . a 12-minute, 16 mm color film with sound portrays selected citizens' reactions to Federal publications, stamps, signs, and educational material. . . produced by the ***National Endowment for the Arts***, through ***Association-Sterling Films***. It is available for free loan. The borrower assumes only return mailing and insurance costs. **Requests for loan to: *National Endowment for the Arts Film Library*, c/o *Association-Sterling Films*, 866 3rd Avenue, New York, New York 10022.**

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FYI

American Consulting Engineers Council. . . Convention. . . Las Vegas, May 5-8. **Registration: Dale Litherland, Convention Manager, *ACED*, Suite 713, 1155 15th St., N.W., Washington, D.C. 20005.**

Financial Managers Society for Savings Institutions. . . 27th Annual Meeting . . . Denver, May 18-22. **Details: *USL*, 111 East Wacker Drive, Chicago, Illinois 60601 (312/644-3100).**

Land Use Conference. . . National Conference on Land Use. . . Denver, May 19-20. **Details: *LUC*, 1321 Bannock St., Denver, Colorado 80204.**

American Institute of Industrial Engineers. . . Annual Conference. . . Washington, D.C., May 20-23. **Details: *AIIE*, 25 Technology Park, Atlanta, Norcross, Georgia 30071.**

National Savings and Loan League. . . Management Conference. . . Scottsdale, Arizona, May 25-28. **Details: *NSLL*, Suite 400, 1101 15th St., N.W., Washington, D.C. 20005 (202/331-0270).**

National Association of Regional Councils. . . Annual Conference. . . Boston, May 27-30. **Details: *NARC*, 1700 K St., N.W., Washington, D.C. 20006 (202/296-5253).**

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HUD-318-172-ASI
April 21, 1975

Published weekly by the Publications and Information Division, Office of the Assistant Secretary for Administration, U.S. Department of Housing and Urban Development. . . Carla Anderson Hills, Secretary. . . James C. Biller, Editor. Subscription rate $12.50 per year, domestic. . . $15.65 foreign. Address all communications regarding subscriptions, change of address, etc. to the Superintendent of Documents, Washington, D.C. 20402. Use of funds for printing this publication approved by the Office of Management and Budget, January 9, 1973.

UNITED STATES
GOVERNMENT PRINTING OFFICE
PUBLIC DOCUMENTS DEPARTMENT
WASHINGTON, D.C. 20402

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